

City Corporation
Board of Directors' Meeting
Main Office Conference Room
Tuesday, September 18, 2012, 3:00 p.m.

PRESENT:

Directors:	Tommy Richardson Art Jones	Don Guess Luke Duffield
City Corp:	Craig Noble Steve Mallett Kenny Lutz Hope Penman Ricky Biffle	Larry Collins Jim Lynch Rena Taylor Randy Bradley Brenda Austin
Others:	Bob Hardin Stephen Jeffus Craig Johnson Matt Crow Bruce Brown Mark Tripp Randal Horton	Dee Brown Gary Bennett Clint Bell Andrew Pownall Pam Halverson Michael Oakes Morgan Keely

Chairman Richardson called the meeting to order at 3:00 p.m.

Approval of the August 2012 Minutes: Art Jones made a motion to approve the minutes with a correction. Don Guess seconded. Minutes were approved with changes.

Craig Noble introduced Steve Mallett as the new Utility Engineer/ Chief Operating Officer.

Review and Consideration of the August 2012 Financials: On the water side, revenues were 4.1% (\$24,987.37) under budgeted amounts for the month. The yearly variance is running 3% more than budgeted amounts. Total Operations & Maintenance (O&M) expense for the month was 1.4% over budget (\$6,496.81). The O&M budget amount was \$477,026.00 with the actual O&M monthly total being \$483,522.81. The yearly variance is 6% (\$52,467.92) over projected budget. The net income for the month was 23.3% (\$31,235.29) less than the budgeted income. On the sewer side, revenues were 4.7% (\$16,262.05) under projected amounts. The budgeted revenue was projected to be \$346,565.00 with the actual total revenue being \$330,302.95. The yearly variance is 1.8% (\$12,184.99) under budget. Total O & M expense was \$14,801.89 under budget. The yearly variance is 8.2% (\$62,054.51) under budget projections. The net income for the month was 2.6% (\$1,532.77) greater of a loss than anticipated. Luke Duffield made a

motion to approve the August 2012 financials. Art Jones seconded. The Financial Report was approved as presented.

Capital Projects Status Report: Collins reported that all areas are operating well with no issues being noted. Collins made the Board aware that a Notice to Proceed was issued to Land Farmer's Inc. of Dover, Arkansas, on the Water Treatment Plant Sludge Removal and Disposal.

Operating Reports: Collins reported that all operations had run smoothly for the month. Collins stated that filter washes are up because of the presence of algae. Art Jones asked if we could measure the amount of algae seen at the plant. Mr. Collins said that there was a report on this that he would like to share at the October Board meeting. Craig Noble stated that samples are being collected every two weeks. The algae, Mr. Noble said, appears to be in a dormant stage awaiting a food source. He stated that City Corporation has a skimmer; however, since the algae have been found in all water columns the effectiveness is limited. Mr. Collins stated that cooler temperature will help with the algae issue. Collins also noted that there were two violations for the month. One was for total residual chlorine and the other was for Copper. Mr. Jones asked what the current permit level is for Copper. Randy Bradley stated that the limit is 9.2 micrograms per liter.

Signatory Approval Resolution: Art Jones made a motion to accept a resolution to remove Craig Noble's name from all accounts and replace it with Steve Mallett, Utility Engineer/ COO. Don Guess seconded.

Bid Items: Bids were opened on August 30, 2012, at 10:00 a.m. for the water certificate of deposit bid. The high bidder was Liberty Bank with 0.539% APR. Don Guess made a motion to accept the bid. Art Jones seconded. CWB Engineers, Inc. received bids for the East 2nd Street Wastewater Improvements project on September 12, 2012. The apparent low bidder was KAJACS Construction in the amount of \$2,119,527.00. Art Jones asked if the re-bid project removed all the pipe-bursting essentially. Clint Bell agreed that was the case. Luke Duffield abstained from voting in the matter. Art Jones made a motion to accept the bid. Don Guess seconded. Bids were received on Wednesday, September 12, 2012, at 2:00 p.m., for the construction of the Schedule I Dechlorination system. The low bidder was VEI General Contractors at \$597,840.00. Art Jones asked if the permit for construction has been signed. Mr. Noble stated that all paperwork has been completed and that the permit is scheduled to be signed on Thursday, September 20, 2012. Art Jones made a motion to give the General Manager tacit approval to enter into the contract pending receipt of the construction permit. Don Guess seconded.

Cash Funds Policy: Mr. Noble presented the Cash Funds Policy with proposed changes to the Board for review. Art Jones stated that the Board would like to have more information presented regarding the updated banking practices. The item was tabled with no action taken.

Consent Administrative Order Update: Clint Ball gave an update on the Consent Administrative Order for the month of August. Mr. Bell noted that 95% of the design on the City Mall project has been completed. Plans will be submitted to the city to coordinate future street and drainage improvements.

PCW Plant Design Update: Matt Crow with CDMSmith gave the report on the PCW Plant Design Update. Mr. Crow reported that the Arkansas Department of Health has reviewed and approved Schedule I: Dechlorination System. The construction permit is scheduled to be signed later in the week.

2012-2013 Budget Review/ Approval: Art Jones made a motion to accept the budget with the noted change of increasing the bond interest payment amount from \$41,083 to \$60,000 monthly.

Provant Executive Health Screening Outcome Analysis – Pam Halverson with Campbell and Company presented the results of the Health Screening Fair for City Corporation employees which took place in mid August. Ms. Halverson reported that the fair has excellent participation by employees. Dr. Richardson asked if this event would take place yearly from now on. Ms. Halverson stated that that was the intent. Art Jones suggested City Corporation employees form a committee to come up with suggestions on how the company can assist employees with health concerns from the report. Randy Bradley volunteered to Chair the committee.

The Board adjourned into Executive Session.

The Board came out of Executive Session and announced that no action was taken.

Art Jones made a motion to adjourn. Don Guess seconded. Motion carried. Meeting was adjourned.

Art Jones, Secretary